

# Realty Stock Review

OCTOBER 27, 1989 (Priced Oct. 27)

Volume XX, Number 20

## Market Strategy: October's Dwindraft Creates Buying Time

After all of October's market gyrations, the month is drawing to a close with the broad market about 3% lower than at September's end.

Not so for realty stocks, which fell in the mid-month rout and haven't snapped back at this writing. All realty stocks fell 4.9% for the month, the biggest one-month decline since Oct. 1987. This was one of those rare times when realty stocks lagged the broad market (see Performance table, page 8).

Our Portfolio Selector stocks, excluding the recovery group, fared worse, falling 6.3% for the month, as shown on page 2. All Selector stocks except the recovery/takeover group, which moves to a different tune, returned 13.7% for the latest 12 months, vs. 23.0% return for the broader market.

We do not think this divergence signals the beginning of a major negative trend for realty stocks. Rather we are using this decline to add to seasoned growth stocks, mainly equity REITs, and are advising you to take advantage of this dwindraft in similar fashion.

During October we've reviewed 16 equity REITs and are estimating a 5.4% cash flow growth for the group in 1990. Since CFS growth typically translates into higher prices, this points toward an estimated 12.5% total return for equity REITs during the next 12 months, composed of about 7% dividend yield and 5.4% cash flow growth.

Will the overall market do better? We think not, since it's clear that profit growth for many major industrial groups is flat to down, and junk bond-financed takeovers seem to be slowly fading into history.

While the economy marks time, real estate is very slowly digesting the massive overbuilding of the mid-1980s and rents

have stopped declining in nearly every market we've visited recently. Thus we see real estate entering the 1990s with supply and demand regaining better balance, and without artificial stimuli to overbuilding. Notwithstanding, the lag effect of bad news and bad press still can hurt. Some recent items:

**Rouse Co. (ROUS:OTC)**, major national shopping center developer, was finally profiled in the long-awaited Forbes article (we alerted you Sept. 15 that a negative article might surface). Forbes called ROUS "seriously overvalued" but lumped both operating income and cash flow into such a tortured definition of cash flow that the article lost credibility with most real estate people. The article knocked about 10% off ROUS stock, opening a buying opportunity.

**Presidential Realty Cl. B (PDL:B:ASE)** stock is removed from Portfolio Selector on Page 2. PDL, a White Plains real estate owner and mortgage lender, reported it has encountered problems in several loans secured by apartment conversions in the New York City area. It has taken back five apartments in Hoboken, N.J. with loan balances of \$4.0 mil. Its president resigned Sept. 30 and a new financial officer was named.

**Property Capital Trust, (PCT:ASE)**, Boston based subordinated equity trust,

terminated its liquidation plan because it could not obtain prices for its assets reflecting their true value. PCT said it would buy back up to 2.0 mil. shs. (18.4% of the total) in the market, and may acquire new investments.

**Property Trust of America (PTR:NYSE)**, El Paso based equity REIT, won a lower court decision in its contest for control with **Sizeler Property Investors (SIZ:NYSE)**, a New Orleans based shopping center REIT. A Federal court upheld PTR's rule limiting any holder to 9.8% of outstanding shares, in order to preserve REIT status. SIZ may appeal the ruling. SIZ continues to press a tender for PTR shares at \$11; the price is inadequate and we advise against tendering.

Rockefeller Group has sold a 51% interest to Mitsubishi Estate Co. of Tokyo for \$846 mil. cash. The sale includes the unencumbered equity in Rockefeller Center plus interests in four mid-Manhattan office towers (the Time & Life, Exxon, McGraw-Hill, and Celanese B1 'gs.), plus some surplus land. **Rockefeller Center Properties, Inc. (RCP:NYSE)**, a REIT, owns a \$1.3 bil. mortgage convertible in Dec. 2000 into 71.5% of the core Center property, which has 6.2 mil. SF. We think the deal enhances value of RCP's mortgage.

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# Portfolio Selector of Stocks For Investment Goals

Portfolio Selector is designed as a working tool for your use in selecting stocks under current market conditions and prices.

Key elements of Selector are:

**1. Current Pricing Limit and Stop Loss Points for Each Stock.** We suggest initial, or limit, purchase prices in the right hand column which we would follow in placing buy/sell orders with brokers. Stocks marked with a "#" sign are selling above suggested limits and "hold/buy on

declines" is advised. Limit/stop loss prices are changed monthly with the market; current stock prices are shown in the adjoining column.

**2. RSR's Exclusive Ranking.** REALTY STOCK REVIEW ranks actively traded stocks from A to E, with A Ranked stocks recommended and included in Selector (see page 8). Some B and C Rank stocks are added for selection.

**3. Stocks Grouped for Investment Goals.** Stocks are grouped into five major

categories reflecting major investment goals. The first four groups are tailored for mainstream, risk-averse investing. The fifth group, Aggressive Recovery, contains stocks whose yield and recovery are more speculative, hence riskier.

**4. Total Return Measurement.** Total return from both price change and dividends for the last 12 months is shown.

**5. Location and Region.** Selector lists major property types and regions so you can balance holdings.

Stock (RSR Review)	RSR Rank	Prop. Type	Prop. Region	12 Mon. Tot.Ret.	Current Price	Advice/Limit/Stop Loss	Stock (RSR Review)	RSR Rank	Prop. Type	Prop. Region	12 Mon. Tot.Ret.	Current Price	Advice/Limit/Stop Loss
<b>STABLE INCOME WITH ASSET VALUE GROWTH</b> Seasoned Equity REITs and Income Property Owners							<b>LONG TERM GROWTH VIA VALUE CREATION/RATE RISKS/PRICE VOLATILITY</b> Land & Income Property Developers, Homebuilders						
*Bradley Rl.(10/20/9)	A	SC	MW	(9.2)%	\$11.13	Buy to 12 (Z)	Amrep Corp.(9/15/9)	C	LAND	NM	(12.5)%	\$7.88	Buy to 8
*BRE Props.(10/20/9)	A	APT/SC	CA,WA	+5.4	29.75	Buy to 31	Centex Corp.(5/17/9)	A	HSG/MTL	NAT	(21.1)	34.00	Buy to 37
*Burnham Pac.(10/20/9)	A	SC/OFF	CA	+9.4	20.25	Buy to 20#	Genl. Dev.(9/15/9)	C	LD/HSG	FL	(7.6)	12.13	Hold/Buy to 14
Chicago Dock(3/10/9)	B	LD	IL	+0.6	24.50	Hold/Buy to 26	Hovnanian Ent.(5/17/9)	B	HSG	NJ,FL	+24.2	9.63	Hold/Buy to 11
Cousins Prop.(3/10/9)	A	LD/OFF	GA	+15.2	17.25	Hold/Buy to 18	Inter.Genl.LP(9/29/9)	B	LD/APT	MD,PR	+19.9	7.25	Buy to 8.5
*Dial REIT (10/27/9)	B	SC	MW	+9.6	17.63	Buy to 19	K&B Home(5/17/9)	A	HSG/CML	CA,FR	+69.6	15.63	Hold/Buy to 17
*Federal Rl.(10/20/9)	A	SC	NE	+18.1	23.00	Buy to 24.5	Leisure Tech.(5/26/9)	C	RET/HSG	CA,NJ	+10.3	4.00	Hold/Buy to 5
*First Union (10/20/9)	A	SC/OFF	NAT	(1.3)	17.13	Buy to 18.5	Lennar Corp.(5/17/9)	A	HSG	FL	+18.0	21.00	Hold/Buy to 22
HRE Props.(4/21/9)	A	SC/OFF	NAT	(4.7)	23.63	Hold/Buy to 23#	Newhall Land(9/29/9)	A	LAND	CA	+47.4	64.38	Hold/Buy to 65
*IRT Prop.(10/27/9)	A	SC	SE	(0.1)	13.25	Buy to 15	Oriole Home(5/26/9)	B	HSG	FL	(4.5)	9.50	Hold/Buy to 11
Intl.Income (4/28/9)	A	SC	NAT	+9.0	13.63	Hold/Buy to 14	Ryland Gr.(5/17/9)	A	HSG/MTG	NAT	+26.0	20.50	Hold/Buy to 23#
Koger Eq. (3/10/9)	B	OFF	SE	+8.9	18.75	Buy to 20	Std.Pacific LP(5/17/9)	A	HSG	CA	+47.5	15.75	Buy to 17#
*New Plan Rlty(10/27/9)	A	SC	NE	+19.3	17.00	Buy to 17	GROUP				+27.2%		
*Penn. REIT (10/27/9)	A	SC/APT	NE	+18.5	24.25	Hold/Buy to 24#	<b>AGGRESSIVE RECOVERY/TAKEOVER CANDIDATES/LIQUIDATIONS</b> Speculative yield, Uncertain Outcome, High Price Volatility						
*REIT of Cal.(10/20/9)	A	SC/OFF	CA	+1.5	15.63	Hold/Buy to 16	CleveTrust(8/12/8)	C	OFF/SC	SW	(20.0)	5.00	Hold/Buy to 5#
Santa Anita(4/28/9)	A	SC/RACE	CA	(3.6)	29.75	Hold/Buy to 31	Copley Prop.(6/23/9)	B	IND	W	(18.3)	13.50	Buy to 15
*Utd.Dom.(10/27/9)	A	APT	VA,NC	+3.8	17.88	Buy to 19	*Duke Rlty.(10/27/9)	B	OFF/IND	IN,OH	+0.9	5.38	Buy to 5.5
Washington REIT(4/21/9)	A	OFF/APT	DC	+10.1	19.00	Hold/Buy to 20	Fairfield Comm.(9/15/9)	C	LAND	SE/SW	+4.3	6.13	Buy to 7
*Weingarten Rl.(10/20/9)	A	SC	TX	+23.9	30.00	Hold/Buy to 30	Hlth.Care REIT(6/14/9)	B	MED	MW	+30.9	14.13	Buy to 14.5
*Western Inv.RE(10/20/9)	A	SC	CA	+4.5	18.13	Hold/Buy to 19	*Hotel Inv.(10/27/9)	C	HOT	NAT	(11.0)	8.13	Hold/Buy to 9#
GROUP				+6.8%			ICM Prop.(6/23/9)	B	OFF	NAT	(7.5)	7.75	Buy to 8.5
<b>HIGHER INCOME, LOWER GROWTH &amp; INTEREST RISKS</b> Mortgage Finance, Fixed & Participating Mortgage REITs, Leaseback REITs							MGI Props.(7/8/8)	A	APT/OFF	SE/MW	(23.0)	13.38	Buy to 15
Eastgroup Pr.(12/9/8)	B	OFF/SC	NAT	(3.3)	20.00	Hold/Buy to 21	MONY Real Est.(5/13/8)	B	IND/SC	NAT	+7.1	8.25	Buy to 8.50/Liq.
Fed.Nat.Mtg. (8/11/9)	A	MTG	NAT	+133.0	38.13	Hold/Buy to 40	MSA Rlty.(8/25/9)	C	SC	MW	+11.6	9.63	Hold/Buy to 10#
Health CarePr.(6/14/9)	A	MED	NAT	+22.4	29.50	Hold/Buy to 30	Nat. Rlt.LP(7/14/9)	C	APT/SC	SW/MW	(53.7)	4.88	Buy to 5.5
Mellon PMT(8/25/9)	C	SC	NAT	+1.1	6.63	Buy to 8	Prop.Tr.Am.(7/8/8&7/28/9)	A	SC/APT	TX,CO	+5.7	9.75	Hold/Buy to 10#
Mtg.&Rlty.(8/25/9)	B	DIV	NAT	+7.1	16.88	Buy to 17	Sizeler Inv.(7/8/8&7/28/9)	B	SC	LA	+0.4	14.38	Buy to 16
Mtg.Inv.Plus(12/23/8)	B	OFF	CA	+7.3	7.25	Buy to 8	GROUP				(8.1)%		
Rock.Ctr.Prop.(6/23/9)	B	OFF	NY	+8.1	19.50	Buy to 21	All Stocks Except Recovery Group				+13.7%		
Univ.Hlth.Rl.(6/14/9)	A	MED	NAT	+30.8	14.25	Hold/Buy to 13.5#	S&P 500				+23.0%		
GROUP				+26.6%			<b>FASTER GROWTH, DEVELOPMENT RISKS PLUS PRICE VOLATILITY</b> Investment Builders, Income Property Owners, & Equity MLPs						
<b>FASTER GROWTH, DEVELOPMENT RISKS PLUS PRICE VOLATILITY</b> Investment Builders, Income Property Owners, & Equity MLPs							EQK Green Ac.LP(7/28/9)	A	SC	NY	+6.9	12.25	Buy to 13
Eastgroup Pr.(12/9/8)	B	OFF/SC	NAT	(3.3)	20.00	Hold/Buy to 21	Equit.RE Sh.LP(7/28/9)	C	SC	MI,MN	(2.3)	7.88	Buy to 10
Fed.Nat.Mtg. (8/11/9)	A	MTG	NAT	+133.0	38.13	Hold/Buy to 40	Forest City(9/15/9)	B	SC/OFF	NAT	+6.3	44.63	Buy to 55
Health CarePr.(6/14/9)	A	MED	NAT	+22.4	29.50	Hold/Buy to 30	Koger Prop.(3/10/9)	A	OFF	SE	(1.2)	24.00	Buy to 25
Mellon PMT(8/25/9)	C	SC	NAT	+1.1	6.63	Buy to 8	Perini Inv.(9/15/9)	B	OFF/IND	NAT	(0.2)	16.25	Hold/Buy to 17
Mtg.&Rlty.(8/25/9)	B	DIV	NAT	+7.1	16.88	Buy to 17	Rouse Co.(9/15/9)	A	SC/LD	NAT	+7.5	25.25	Buy to 27
Mtg.Inv.Plus(12/23/8)	B	OFF	CA	+7.3	7.25	Buy to 8	Shoppo Lau.LP(7/14/9)	C	SC	MD	+4.7	9.25	Buy to 10
Rock.Ctr.Prop.(6/23/9)	B	OFF	NY	+8.1	19.50	Buy to 21	GROUP				+3.7%		
Univ.Hlth.Rl.(6/14/9)	A	MED	NAT	+30.8	14.25	Hold/Buy to 13.5#							
GROUP				+26.6%									
<b>FASTER GROWTH, DEVELOPMENT RISKS PLUS PRICE VOLATILITY</b> Investment Builders, Income Property Owners, & Equity MLPs							<b>Property types:</b> APT=Apartment; CML=Commercial; DIV=Diversified; HOT=Hotel/moteling; HSG=Housing;IND=Industrial; LD=Land Devel.; MTL=Motel; MTG=Mortgage; OFF=Office; RACE=Race track; RET HSG=Retirement housing; SC=Shopping Center; S&L=Savings & loan. <b>Property locations:</b> NE=Northeast; SE=Southeast; SW=Southwest; MW=Midwest; W=West; NAT=National. States are Postal Service code. Buy limits are approx. maximum purchase prices at publication date. Additions or changes underlined; Review with comment dates in paren. Reviewed in October, issues. # Stock selling above limit price. z-Audit affiliate involved in pending or recent transaction.						
EQK Green Ac.LP(7/28/9)	A	SC	NY	+6.9	12.25	Buy to 13	<b>RANKING CHANGES:</b> Burnham Pac. from B to A. <b>DELETED:</b> Presidential Realty						
Equit.RE Sh.LP(7/28/9)	C	SC	MI,MN	(2.3)	7.88	Buy to 10							
Forest City(9/15/9)	B	SC/OFF	NAT	+6.3	44.63	Buy to 55							
Koger Prop.(3/10/9)	A	OFF	SE	(1.2)	24.00	Buy to 25							
Perini Inv.(9/15/9)	B	OFF/IND	NAT	(0.2)	16.25	Hold/Buy to 17							
Rouse Co.(9/15/9)	A	SC/LD	NAT	+7.5	25.25	Buy to 27							
Shoppo Lau.LP(7/14/9)	C	SC	MD	+4.7	9.25	Buy to 10							
GROUP				+3.7%									

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## DUKE REALTY INVESTMENTS (DRE:NYSE) RANK B

DRE is a Midwestern equity REIT owning properties around Indianapolis and Cincinnati. After buying 12 buildings with 964,000 SF from its sponsor in Nov. 1988, DRE owns 2.04 mil. sq. ft. divided 41% office, 38% industrial/warehouse, and 21% retail. We hold B Rank.

**Gut Issue: Can DRE resume cash flow growth?** DRE leveraged itself by borrowing \$69 mil. from an insurance company to buy the 12 buildings for \$66.3 mil. Occupancy moved up to 86.8% at June 1989 and has gained a bit since, vs. 80.2% at Dec. 1988. But higher interest on the new debt has restrained cash flow, and distributable funds fell 20% to 24¢/sh. through June. DRE cut office exposure in the Sept. qtr. by exchanging two Cincinnati offices for a Cincinnati shopping center and office/showroom; the switch will net 17¢ gain and should strengthen CFS. But a dividend uptick isn't likely anytime soon.

**Current value:** DRE reported appraised value of \$8.31/sh. at Dec. 31, 1988.

**Advice:** The shares are likely to remain in a holding pattern and buying range at a 34% discount to current asset value until DRE can demonstrate dividend growth. Holders get 12%-plus yield until things start to turn. (KDC)

DRE:NYSE Rank B Dec. yrs. 8.59 mil. shs.  
Price: \$5.50 Div. \$0.68 Yld.: 12.6% Price X CFS: 10.3

Year	EPS	Op.CFS	Div.	High	Low	Yld.Range
1986ab	\$0.14a	\$0.64	\$0.73	\$8.75	\$7.00	10.4-8.3%
1987b	0.23	0.67	0.76	8.75	5.88	13.0-8.7
1988b	0.10	0.63	0.68	7.13	5.38	12.6-9.5
1989E	NE	0.52	0.68	6.25	4.88z	13.9-10.9z
1990E	NE	0.56	0.68			

a-From inception 2/13/86. b-Pro forma for combination of income and capital shares 8/15/88. Stock prices and yields for income shares. z-To date.

**Share data:** Institutions own 3.9%; insiders 10.3%.

Avg. weekly volume: 29,800 sh.

**Finances** 6/89 (Mil.\$): Debt: \$76.8M; Equity: \$53.6M; Accum. Deprec.: \$6.5M; Equity + deprec.: \$60.1M or \$6.99/sh. Debt/equity ratio: 1.4-1.

**Address:** 8888 Keystone Crossing, #1150, Indianapolis, Ind. 46240. (317) 257-8688.

## DIAL REIT, INC. (DEAL:OTC) RANK B

DEAL is growing rapidly as a shopping center developer/owner specializing in medium to small sized Midwestern cities. Expanding from its Omaha base, DEAL has assembled a portfolio of 18 centers with 2.13 mil. SF and 97.2% occupied. Five centers are enclosed malls with 938,000 SF (44% of the total) and the remaining 13 are strip centers with 1.2 mil. SF. DEAL has moved aggressively to expand holdings via both acquisitions and new stock sales. We maintain B Rank and hold DEAL in Portfolio Selector for long-term growth.

**Gut Issue: Can DEAL's rapid growth as a public REIT win it a lower cost of capital?** Since coming public in Dec. 1986, DEAL has moved rapidly to expand portfolio and capitalization in the stock market. In Dec. 1988 it picked up five strip centers, all anchored by Wal-Mart stores, by absorbing American Income Properties in a stock swap. Then DEAL sold 1.5 mil. new shs. at \$18.75 in Sept. 1989, raising \$26.4 mil. for new investment. Finally, DEAL is developing

two properties in partnership with Dutch investors, which conserves DEAL's own capital.

So far the market hasn't caught on to DEAL's steep growth path. Its shares currently yield 9.5%, one of the highest among niche equity REITs. DEAL likely will list on the NYSE early in 1990, which should boost visibility to investors. And finally DEAL has boosted payout twice since coming public and we expect another boost early in 1990.

**Current value:** Since most DEAL properties were bought in the last two years, we estimate current value at \$19.00-\$19.50. But DEAL's sponsors and property managers are strong in leasing, which we expect will increase values over time.

**Advice:** DEAL shares afford good yield plus growth prospects. As the record becomes better known, the yield required by DEAL investors should fall to the 7%-8% range, giving DEAL a \$21-\$24 target price. (KDC)

## CURRENT ASSET VALUE COMPARISONS

	DATE	CURRENT VALUE/ SHARE	% PRICE TO APP. VALUE
<b>QUALIFIED REITS</b>			
ANGELL REAL EST#	3/89	\$16.04	-36.1%
BRE PROPERTIES #	7/89	\$36.75	-19.0%
BURNHAM PAC PROP#	12/88	\$18.50b	10.8%
CEDAR INC FUND I#	12/88	\$ 8.63	-36.3%
COPLEY PROPS #	12/88	\$23.37	-42.2%
DUKE RLTY INVST #	12/88	\$ 8.31	-35.3%
FEDERAL REALTY#	12/88	\$21.50b	7.6%
FIRST UNION RE#	12/88	\$26.25b	-34.8%
GRUB&ELLS REIT	12/88	\$ 9.36	-30.6%
HRE PROPERTIES #	10/88	\$27.50b	-18.2%
INTL. INCOME PR#	12/88	\$19.17	-30.2%
IRT PROPERTY CO#	12/88	\$16.00b	-17.2%
MSA REALTY CORP #	12/88	\$12.35	-22.1%
NEW PLAN RLY TR#	7/88	\$16.27	4.5%
PENN REIT#	8/88	\$26.00b	-5.3%
PRU RL CAPITAL #	12/88	\$ 2.43	-58.8%
SANTA ANITA	12/88	\$27.82	6.0%
SIERA CAP RLY IV#	12/88	\$ 8.00	-43.8%
SIERA CAP RLY VI#	12/88	\$ 8.82	-43.3%
SIERRA RE EQ83#	12/87	\$10.21	-46.1%
SIERRA RE EQ84#	12/87	\$ 8.37	-58.2%
TRAML CROW REI#	12/88	\$11.46	-56.4%
USP RL EST INV#	12/88	\$ 9.44	-31.1%
UTD DOMINN RLY#	12/88	\$20.50b	-11.0%
WASH RE (WRIT)#	12/88	\$17.00b	13.2%
WEINGARTEN RLY#	12/88	\$23.00b	30.4%
WESTERN INV RE#	12/88	\$19.00b	3.3%
<b>AVERAGE</b>			-22.5%
<b>OPERATING COMPANIES</b>			
BAY FINCL CORP	5/89	\$26.02	-43.9%
EQK GRN ACRES LP#	12/88	\$13.93	-13.9%
EQUITABLE RE SC #	12/88	\$10.22	-21.7%
FOREST CITY-A#	1/89	\$70.00b	-35.7%
FOREST CITY-B#	1/89	\$70.00b	-26.4%
FORUM RET PFD UN#	12/88	\$11.08	-69.5%
LA QUINTA MTR IN#	12/88	\$15.75b	-49.2%
MAJOR REALTY	9/87	\$22.00	-40.9%
NATIONAL REALTY	12/88	\$26.00b	-80.3%
NEWHALL LAND	12/88	\$48.48	35.1%
PERINI INV PR#	6/89	\$25.41	-35.1%
PRIME MTR INN LP#	12/88	\$20.90b	-30.0%
RED LIONS INNS #	12/88	\$17.00b	2.2%
ROUSE CO#	12/88	\$30.65	-19.2%
SHOPCO LAURL CTR#	12/88	\$11.40	-18.9%
SOUTHWEST RLTY#	2/89	\$ 3.70	-56.1%
<b>AVERAGE</b>			-31.5%

Current market values of net assets (i.e., properties held) are reported publicly by companies. Values are estimated by management and concurred in by independent appraisers except for: New Plan Realty, management estimate only. Share values are fully diluted. a-Entity has not revalued mortgages. b-Estimated by RSR; not confirmed by Trust.

DEAL:OTC Rank B Dec. yrs. 5.32 mil. sh.  
Price: \$17.75 Div. \$1.68 Yld.: 9.5% Price X CFS: 9.9

Year	EPS	CFS	Div.	High	Low	Yld.Range
1987	\$0.61	\$0.70	\$1.22	\$22.00	\$14.50	8.4-5.5%
1988	0.46	1.71	1.64	20.00	16.50	9.9-8.2
1989E	0.70	1.80	1.68	20.00	16.25z	10.3-8.4
1990E	NE	1.90	1.72			

**Share data:** Institutions own 13.4%; insiders 3.5%. Avg. weekly volume: 31,500 sh.

**Finances** 9/89 (Mil.\$): Debt: \$29.2M; Equity: \$86.4M; Accum. deprec.: \$3.8M; Equity plus deprec.: \$16.96/sh. Debt/equity ratio: 0.3-1. **Address:** 11506 Nicholas St., Omaha, NE 68154. 402/496-7184.



## HOTEL INVESTORS (HOT:NYSE) RANK C

The largest REIT active in lodgings, HOT plans to sell all its hotel properties over the next six months and focus investment and management on two lodging/gaming properties in Las Vegas. HOT's strategic decision to exit middle-market lodgings comes after three years of unprecedented hotel building by major national chains, often to tap small market segments. This building has clobbered HOT's franchise-dependent properties, which fly 11 national chain flags at 35 non-gaming properties. HOT acquired its two Las Vegas gaming properties, both upgrading candidates, from affiliates of its managers in 1988 and believes it has the expertise and access to capital to take advantage of gaming industry expansion, which it believes is superior to lodgings. We are maintaining Ranking at C.

**Gut issue: Can HOT pull off its transformation and find favor with investors as a gaming REIT?** HOT's game plan calls for cash sale of its properties with about 5,500 rooms over the next six-12 months at their depreciated cost book value. If accomplished, HOT would net about \$40-\$50 mil. cash (roughly \$3.50-\$4.00/sh.) after repaying most debt. Whether HOT will distribute part of that cash or use it to expand in gaming isn't decided. Also up in the air is whether HOT will continue as a "paired share" entity combining a REIT and operating company,

an arrangement which could let HOT distribute gaming profits to its holders without an entity-level tax.

In gaming, HOT has about \$40 mil. invested in two unleveraged properties and could spend another \$20 mil. or so expanding King 8 Hotel, a 300 room non-Strip hotel/casino scheduled for major renovation and expansion. HOT also owns renovated Bourbon Street, a 150-room hotel/casino with access to the Vegas "Strip" key gaming area.

**Advice:** HOT shares are now priced at about net book value pro forma the restructuring. We'd hold but not buy until HOT can demonstrate profitability in gaming. (KDC)

HOT:NYSE Rank C Dec. yrs. 12.13 mil. shs.

Price: \$8.00 Div.: \$1.00 Yld.: 12.5% Price X CFS: 8

Yr.	Op.EPS	Op.CFS	Div.	High	Low	Yld.Range
12/87	\$0.05a	\$0.27	\$0.50	\$20.38	\$11.50	17.4- 9.8%
12/88	d0.11	0.82	2.00	17.63	7.88	25.3-11
12/89E	NE	1.00	1.00	10.25	7.63z	13.1- 9.7z

a-Plus sale gains: '87-4¢; '88-22¢. b-Four mon. d-Deficit. z-To date.

**Share data:** Institutions own 39.9%; Insiders 7.6%. Avg. weekly volume: 146,000 sh.  
**Finances** 6/89 (Mil.\$): Debt: \$146.2M; Equity: \$162.8M or \$13.42/sh. Debt/equity ratio: 0.9-1. **Address:** 21031 Ventura Blvd., Woodland Hills, CA 91364. (818) 883-9500.

## IRT PROPERTY CO. (IRT:NYSE) RANK A

IRT invests in shopping centers in the Southeastern U.S. and now owns 65 centers with 5.35 mil. SF. Shopping centers, including direct financings and land lease-backs, are approx. 87% of IRT's holdings.

To grow its portfolio, IRT has begun negotiating with various shopping center developers for ground-up development of shopping centers in Vir. and N.Car. anchored by Harris-Teeter, a regional supermarket chain. IRT would get an option to purchase at prices based on leasing success. The deals protect IRT with risk reducing provisions. Stock stays at A Rank and in Portfolio Selector.

**Gut Issue: Is IRT's financing/development program having a reverse impact on share price?** IRT is working diligently to increase its portfolio. Two center deals were closed in 1988, at Hartsville, S.Car. and Greenville, N.Car., and two more added in 1989, at Wilson, N.Car. and Martinsville, Vir., begun this summer.

Even with these commitments IRT still holds substantial cash of \$30.7 mil. or \$2.53/sh. at June 1989. If short-term interest rates again fall, cash returns could penalize EPS and motivate IRT to become even more active in this arena. New deals are structured to return 10%-plus annually, a differential of \$0.03-0.04 per share over holding cash. Development lending with purchase options, while riskier, may be the most attractive way to

acquire new properties today.

So far, the market is ignoring IRT's move into shopping centers. At \$13.25, shares are trading just above their 52-week low and yield 8.8%. Long-term, IRT needs a much lower cost of equity capital to continue expansion. Current value: We think current value is in the \$17-18.00 per share range. IRT split its shares 5-for-4 on June 2, 1989 and concurrently increased its dividend by 4% to the current \$1.16 annual rate.

**Advice:** Buy shares. IRT is well positioned in direct financing leases and more aggressive strip and mall shopping centers. IRT currently trades about 20% below conservative value estimates. (MJH)

IRT:NYSE Rank A Dec. years. 12.16 mil. shares.

Price: \$13.25 Div.: \$1.16 Yld.: 8.8% Price X CFS: 12.7

Year	Op.EPS	Op.CFS	Div.	High	Low	Yld.Range
1988	\$0.66a	\$1.00	\$1.10	\$15.13	\$11.63	7.3- 9.5%
1989E	0.64a	1.04	1.15	15.63	13.00z	7.4- 8.8
1990E	0.70a	1.08	1.20			

a-Plus gains: '88-0.60; '89E-0.20. Adjusted for 5-for-4 split on 6/2/89. z-To date.

**Share data:** Institutions own 34.7%; insiders 3.2%. Avg. weekly volume: 46,200 shs.  
**Finances** 6/89 (Mil.\$): Debt: \$101.9M; Equity: \$110.1M; Accum. deprec.: \$21.3M.  
Equity + deprec. \$9.06/sh. Debt/equity ratio: 0.93-1.  
**Address:** 200 Galleria Pkwy. NW, # 1400, Atlanta, GA. 30339. (404)955-4406.

## NEW PLAN REALTY TRUST (NPR:NYSE) RANK A

New York-based NPR buys shopping centers east of the Mississippi, concentrating on slower-growth towns that are not as inviting to competition. The trust upgrades rents and returns by aggressively expanding, renovating, releasing and promoting the properties. NPR's portfolio has grown to 46 shopping centers with 6.0 mil. sq.ft. gross leaseable space. NPR continued its impressive equity raising by offering 7.4 mil. shares at \$15.75 in

May 1989, netting \$110.3 mil. at an effective cost of about 6.7%. Shares retain A Rank and are continued in Portfolio Selector.

**Gut Issue: Could NPR's high cash balance penalize earnings and operating cash flow?** The affect on earnings is not very pronounced at this time. NPR is earning an average of 9.75% on its approx. \$149 mil. cash balance held in short-term money instruments vs. 10-10.5% (at acquisition) on operating



properties. The balance of NPR's \$165 mil. in cash is invested in securities of other REITs.

The penalty of holding cash is a loss of tax shielding property depreciation and potential appreciation. In addition holding cash costs over 3¢/sh. per year return discrepancy, and NPR's earnings on these funds are more interest-rate sensitive.

NPR's cash horde reflects its conservative philosophy that the battle of real estate investment is won or lost by careful attention to acquisition price. NPR will not jump at a deal unless the price is right. Low acquisition cost of 30% to 40% below new construction cost allows for substantial rental upgrade, and, should competition intensify, successful operation at below market rents. During fiscal 1989 NPR acquired 10 centers, plus one building adjacent to an NPR facility, with approx. 1.51 mil. SF, for \$28.4 mil. or \$18.81/SF. In Sept. 1989 NPR acquired 140,900 SF Parkway Plaza in Maumee, OH.

**Current value:** NPR's 1989 appraisal of assets should

place value in the range of \$16.50 to \$17/sh.

**Advice:** Buy for the long term. NPR is a steady performer whose powerful war chest, low capital cost and fat 3.2%-3.8% spread on new investments has bestowed an impressive growth record. (MJH)

NPR:NYSE Rank A July years 34.71 mil. shares

Price: \$17.00 Div.: \$1.02 Yield: 6.0% Price X CFS: 16.

	Op.EPS	Op.CFS	Div.	High	Low	Yield Range
1988	\$0.88a	\$0.82a	\$0.89	\$17.63	\$10.75	6.8-5.9%
1989	0.87a	0.87a	0.97	17.88	14.13	6.9-5.4
1990E	0.92	0.95	1.05	17.63	16.13z	6.5-5.9z

a-Excl. gains on property and securities sales: '88-8¢; '89-8¢. z-To date.

Share data: Institutions own 18.4%; insiders 10.4%. Avg.. weekly volume: 111,300 shs.

Finances 4/89 adjusted for May 1989 offering (Mil. \$): Debt: \$23.2M; Equity: \$294.5M;

Accum. deprec.: \$20.1M. Equity + deprec.: \$8.50/sh. Debt/equity ratio 0.08-1.

Address: 1120 Ave. of the Americas New York, NY 10036. (212) 869-3000.

## PENNSYLVANIA REIT (PEI: ASE) RANK A

PEI, an old-line equity REIT, now builds its portfolio by joining in new developments via carefully structured joint ventures. Holdings and cash flow are divided about evenly between shopping centers (2.9 mil. net sq. ft.) and apartments (2,819 units). Recently PEI has ventured beyond its Pennsylvania base. Shares hold A Rank and their spot in Portfolio Selector.

**Gut Issue: Is Trizec's acquisition of a Philadelphia shopping center developer the first salvo in a move to take over PEI?** Trizec, the Canadian realty giant controlled by the wealthy Reichman and Bronfman families, recently agreed to acquire Kravco Co., Philadelphia owner/manager of 30 shopping centers. The Kravco sale hasn't closed yet. Kravco and affiliates are part owners with PEI of PEI's trophy property, 424,000 SF Lehigh Valley Mall, plus adjoining 521,000 SF Whitehall Mall, both in Allentown, Pa.

Meantime, canny Pres. Bill Newman of New Plan Realty continues to sit with 259,768 PEI shs., or 3.2% of PEI. Neither of these players are impetuous: Trizec has owned a 25% stake in Rouse Co. for years and Newman is a cautious property buyer (see separate review of NPR). With PEI stock hitting new highs

recently, the market is reacting as if PEI were going to be put into play tomorrow. We don't think that's in the cards. But with two very savvy real estate players nuzzling closer, PEI is clearly a stock to hold.

**Advice: Hold or buy long-term.** PEI's joint venture approach builds lots of hidden values in a quiet way, but they give PEI lots of leverage in negotiating friendly deals, should it desire. Meantime the medium-term trend is positive with new apartment and retail leasing aiding results. (MJH/KDC)

PEI:ASE Rank A Aug. years 8.20 mil. sh.

Price: \$24.63 Div.: \$1.68 Yld.: 6.9% Price X CFS: 25.

Year	Op.EPS	Op.CFS	Div.	High	Low	Yld.Range
1988	\$1.32a	\$1.51a	\$1.58	\$23.88	\$17.00	6.6-9.3%
1989E	1.33a	1.65a	1.66	24.88	20.75	8.0-6.7
1990E	1.35a	1.74a	1.72	26.50	24.13z	7.1-6.5z

a-Plus sale gains per share: '88-\$0.03; '89E-\$0.05. z-To date.

Share data: Institutions own 25.8%; insiders 17.0%. Avg. weekly vol.: 20,900 shs.

Finances 5/89 (Mil. \$): Debt: \$10.0M; Equity: \$59.2M; Accum. deprec.: \$26.5M;

Equity + deprec.: \$10.45/sh. Debt/equity ratio: 0.17-1 at cost.

Address: 455 Pennsylvania Ave., Fort Washington, PA 19034. (215) 542-9250.

## UNITED DOMINION REALTY TRUST (UDRT:OTC) RANK A

UDRT is an apartment renovation and upgrading specialist also active in shopping centers, located mainly in NC, VA and the Southeast. UDRT now owns 33 apartment complexes with 7,100 units and 16 shopping centers with 1.66 mil. SF. UDRT benefits from a resurgence of multi-family dwellings in its region, strategically supplementing its low-cost portfolio (approx. \$23,000/unit) with new properties. In July 1989 UDRT raised \$41.75 mil. via a 2.5 mil. stock offer at \$17.75 per share. Payout was boosted 3% to \$1.24/rate this month. Stock continues in Portfolio Selector and Rank remains at A.

**Gut Issue: Will UDRT's cash flow be hurt by weak apartment markets?** Due to competition, UDRT has had difficulty obtaining the rent increases it had projected, most prominently in Atlanta where slower renting is costing about 1¢/sh. per qtr. This sluggishness will moderate short-term cash flow growth to 4-5% growth in 1989, vs. 7%-10% historically. But it could also signal an opportunity for portfolio growth by driving

down prices for new acquisitions, and thus benefiting UDRT's long-term cash flow growth.

UDRT has done an exceptional job at lowering its cost of funds. UDRT has used proceeds from its last several financings to pay-down bank lines and high cost debt. It now has an effective 7.2% cost of funds, giving it a strong 2.25% net spread of new investments yielding about 9.5%. For short-term capital, UDRT has bank-lines \$39 mil. available should attractive deals appear.

**Current value:** Based on Southern property values, we estimate UDRT's value at \$20.50/share.

**Advice:** Buy to 19. We see continued growth. UDRT is a good hedge against either inflation and recession, whichever occurs. With its low-cost apartments, UDRT should be able to keep units near full occupancy in spite of competitive markets. This puts UDRT in good position to maintain 5-7.5% growth of cash flow and dividend in 1990 and beyond. UDRT expects to list on the NYSE early in 1990, broadening investor interest. (MJH)



## QUALIFIED REAL ESTATE INVESTMENT TRUSTS

RANK	NAME (REVIEW DATE)	EXCR/ SYMBOL GROUP	SHARES (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON 12 MO	LAST PRICE	% CHANGE SEP 27	FROM- JAN 1	P/E RATIO	% ANN YIELD	% PR TO BK	RETURN ON BK	MKT VAL MIL \$
B	AMER HEALTH PROP# (06/14/89)	NY-AHE 2	13880	19.05	2.28 U	JUN 2.56	22.50	-2.2	25.9	8.8	10.1	18.1	13.4	312.3
* B	AMER SW MTG INVMT (01/27/89)	AS-ASR 4	14326	9.74	0.48 S	JUN 0.86	4.50X	-15.5	-45.5	5.2	10.7	-53.8	8.8	64.5
C	AMERICAN REALTY (08/11/89)	NY-ARB 4	6356	12.76	1.52 J	JUN 0.94	7.75X	-2.9	-13.9	8.2	19.6	-39.3	7.4	49.3
* C	F-ANGELES FINE TRST (06/14/89)	AS-ANE 4	1051	17.78	1.96 S	JUN 2.06	15.13X	-1.4	3.4	7.3	13.0	-14.9	11.6	15.9
B	ANGELL REAL EST# (06/14/89)	NY-ACR 2	3622	13.318	1.52 S	SEP 1.74 D	10.25	-5.7	26.2	5.9	14.8	-23.0	13.1	37.1
C	ASSET INVESTORS (09/09/88)	NY-AIC 4	13892	14.55	1.60 JUN	1.48	8.50	-4.2	-24.4	3.7	18.8	-41.6	10.2	118.1
B	P-BAY MEADOWS OPER (08/12/88)	AS-CJ 1	5773	4.35	0.95 JUN	0.63	20.00	-3.0	27.0	31.7	4.8	359.8	14.5	115.5
* B	BODDIE-MOEL PROP# (08/12/88)	AS-BNP 2	2850	11.41	1.36 S	JUN 1.34	11.25X	-7.3	-15.1	8.4	12.1	-1.4	11.7	32.1
A	BRADLEY RL EST # (10/20/89)	AS-BTR 1	4175	6.32	0.68 JUN	0.55	10.88	-3.3	-19.4	19.8	6.3	72.1	8.7	45.4
A	BRE PROPERTIES # (10/20/89)	NY-BRE 1	7881	19.668	2.40 JUL	2.54	29.75	-2.9	-3.3	11.7	8.1	51.3	12.9	234.5
C	BRT REALTY (09/29/89)	NY-BRT 4	7360	14.44	2.00 JUN	2.43	13.75	0.0	-26.7	5.7	14.5	-4.8	16.8	101.2
A	BURNHAM PAC PROP# (10/20/89)	AS-BPP 1	5920	14.888	1.36 SEP	2.23 S	20.50	4.5	9.3	9.2	6.6	37.8	15.0	121.4
* A	CALIFORNIA REI (09/29/89)	NY-CT 1	9059	7.11	0.20 D	MAR -0.03	3.50X	-8.4	-39.1	0.0	5.7	-50.8	-0.4	31.7
* C	F-CEDAR INC FUND I# (09/09/88)	OC-CEDR 1	1440	8.608	0.50 JUN	0.40	5.50	-4.3	-18.5	13.8	9.1	-36.0	4.7	7.9
C	CENWILL INVSTR (08/11/89)	NY-CVI 3	6883	12.61	1.40 JUN	1.58	10.25	-2.4	-34.4	6.5	13.7	-18.7	12.5	70.6
B	CHICAGO DOCK&CANL (03/10/89)	OC-DOCKS 1	5784	6.93	0.24 JUL	0.80	25.25	3.1	2.0	31.6	1.0	264.4	11.5	146.0
C	CLEVETRUST RLTY # (08/12/88)	OC-CTRS 1	1968	18.53	0.00 JUN	0.79	4.75	-17.4	2.7	6.0	0.0	-74.4	4.3	9.3
* C	COLUMBIA RE INVST (09/09/88)	AS-CIV 4	5468	9.40	0.92 JUN	0.91	7.00	-8.2	5.7	7.7	13.1	-23.5	9.7	38.3
C	COPELEY PROP# # (06/23/89)	AS-COP 3	4008	16.588	1.44 S	JUN 1.69	13.50X	-6.0	-22.3	8.0	10.7	-18.6	10.2	54.1
C	COUNTRYWIDE MTG (09/09/88)	NY-CNM 4	13645	8.14	0.56 S	JUN 0.80	3.75X	-2.8	-30.2	4.7	14.9	-53.9	9.8	51.2
A	COUSINS PROP# (03/10/89)	OC-COUS 1	17307	6.18	0.60 JUN	0.55	18.00	4.3	17.1	32.7	3.3	191.3	8.9	311.5
* A	F-CRI INC MTG II (09/29/89)	NY-CII 4	8536	15.16	1.30 JUN	1.48	11.75	3.3	-15.3	7.9	11.1	-22.5	9.8	100.3
* B	DEL-VAL FINCL (10/27/89)	NY-DVL 4	5510	12.44	1.86 S	JUN 1.85	18.25X	2.3	9.8	9.9	10.2	46.7	14.9	100.6
B	DIAL REIT INC # (10/27/89)	OC-DEAL 1	5322	16.96	1.68 SEP	1.76 D	17.75	0.0	0.0	10.1	9.5	4.7	10.4	94.5
B	DUKE RLTY INVST # (10/27/89)	NY-DRE 1	8594	6.998	0.68 JUN	0.67	5.38	-2.3	-4.4	8.0	12.7	-23.1	9.6	46.2
B	EASTGROUP PROPS (12/09/88)	AS-EGP 1	2513	23.94	2.60 SEP	5.91 D	20.63X	-1.0	-4.1	3.5	12.6	-13.8	24.7	51.8
* B	EASTOVER CORP (09/09/88)	OC-EASTS 3	1144	16.26	1.60 JUN	3.66	13.50X	9.0	-10.0	3.7	11.9	-17.0	22.5	15.4
* C	EMERALD MTG INVST (09/23/88)	NY-EIC 4	8750	9.73	0.00 JUN	0.98	4.13	6.5	-47.6	4.2	0.0	-57.6	10.1	36.1
C	F-EGK RLTY INV I # (09/29/89)	NY-EKR 1	7589	14.22	0.00 JUN	1.52	8.00	0.0	-25.6	5.3	0.0	-43.7	10.7	60.7
A	FEDERAL REALTY# (10/20/89)	NY-FRT 1	16347	10.738	1.40 JUN	1.59	23.13	-3.6	9.5	14.5	6.1	115.5	14.8	378.0
* A	FIRST COMTEL REIT (09/29/88)	OC-FCRS 4	5103	2.61	0.00 MAY	-0.81	0.25	-50.0	-60.0	0.0	0.0	-90.4	-31.0	1.3
A	FIRST UNION RE# (10/20/89)	NY-FUR 1	17689	8.908	1.50 SEP	2.21 U	17.13	-3.5	-6.2	7.7	8.8	92.4	24.8	302.9
* C	GOLDEN CORRAL # (09/09/88)	OC-GCRA 2	1480	9.38	1.00 S	JUN 1.09	7.75X	3.2	-6.1	7.1	12.9	-17.4	11.6	11.5
* C	F-GROBELL'S REIT (09/29/88)	OC-GRI 5	2500	8.918	0.72 U	SEP 0.48 D	6.50	0.0	2.0	13.5	11.1	-27.0	5.4	16.3
A	HEALTH CARE PRP# (06/14/89)	NY-HCP 2	9200	22.35	2.91 U	JUN 2.90	30.00	-2.8	15.9	10.3	9.7	34.2	13.0	276.0
B	HEALTH CARE REIT (06/14/89)	AS-HCN 4	6053	12.13	1.68 S	JUN 1.65	14.13X	0.3	18.9	8.6	11.9	16.4	13.6	85.5
D	HEALTHVEST # (08/25/89)	AS-HVT 2	10773	20.48	2.68 JUN	2.67	6.00	-28.4	-65.7	2.2	44.7	-70.7	13.0	64.6
C	HLTH & REHAB PRP# (06/14/89)	NY-HRP 2	2998	8.78	1.16 U	JUN 1.17	10.00X	2.9	17.6	8.5	11.6	13.9	13.3	100.0
C	HMG/COUNTRYLND PROP (09/29/89)	AS-HMG 1	1212	19.30	0.60 JUN	-1.78	9.13	-6.4	-27.0	0.0	6.6	-52.7	-9.2	11.1
C	F-HOLLYWOOD PK RLTY (02/24/89)	OC-HWRF 1	3956	0.70	0.00 JUN	-3.37	23.50	-6.9	11.9	0.0	0.0	3257.1	-481.4	93.0
C	F-HOTEL INVESTORS# (10/27/89)	NY-HOT 1	12132	15.84	1.00 JUN	0.79	8.00X	-18.5	-13.5	10.1	12.5	-49.5	5.0	97.1
A	HRE PROPERTIES # (04/21/89)	NY-HRE 1	5998	25.848	1.80 JUL	1.93	22.50	-4.3	4.7	11.7	8.0	-12.9	7.5	135.0
C	ICH PROP INVSTR # (06/23/89)	NY-ICH 3	5476	13.70	0.48 S	JUN 0.98	7.63X	-3.2	-19.7	7.8	6.3	-44.3	7.2	41.8
* C	F-INCOME OPP RLTY # (06/23/89)	AS-IOT 3	3692	15.21	0.60 MAR	-1.02	6.13	0.0	-22.2	0.0	9.8	-59.7	-6.7	22.6
A	INTL INCOME PRP# (04/28/89)	AS-IIP 1	15836	9.028	1.18 JUN	0.56	13.38	-0.9	1.3	23.9	8.4	48.3	6.2	211.8
* A	INWG MTG SECS (09/29/88)	OC-INWG 4	682	27.03	1.40 JUN	-2.18	8.13	-9.7	-4.4	0.0	17.2	-69.9	-8.1	5.5
A	IRT PROPERTY CO# (10/27/89)	NY-IRT 1	12162	9.068	1.16 JUN	1.19	13.25	-3.6	-10.5	11.1	8.8	46.2	13.1	161.1
B	KOGER EQUITY INC# (03/10/89)	AS-KE 1	14313	18.65	1.80 JUN	1.91	18.88	-0.7	0.7	9.9	9.5	1.2	10.2	270.2
B	L&N HOUSING (05/13/88)	NY-LHC 5	2200	19.48	1.64 SEP	1.61 U	13.63	0.9	-6.8	8.5	12.0	-30.1	8.3	30.0
C	LANDING PACIFIC# (10/20/89)	AS-LPF 1	6157	19.19	0.80 JUN	0.79	8.25	-5.7	-7.0	10.4	9.7	-57.0	4.1	50.8
* C	LINCOLN NC RL FND (09/09/88)	AS-LRF 3	1998	13.22	0.84 JUN	1.53	8.13X	4.2	-9.7	5.3	10.3	-38.5	11.6	16.2
* C	F-LINPRO SPICD PROP (10/09/87)	AS-LPO 1	1856	9.04	0.00 JUN	0.00	1.50	-29.4	-42.9	0.0	0.0	-83.4	0.0	2.8
C	LOMAS & WET MTG (02/10/89)	NY-LOM 4	11704	21.41	1.60 D	SEP 0.06 D	10.63	-17.5	-41.0	177.1	15.1	-50.4	0.3	124.4
C	LOMAS MTG CORP (09/09/88)	NY-LMC 4	8700	20.25	2.16 SEP	2.15 D	17.13	-1.4	3.8	8.0	12.6	-15.4	10.6	149.0
* B	MEDICAL PROPS # (06/14/89)	AS-MFP 2	2369	11.73	1.20 DEC	1.33	8.00	0.0	4.9	6.0	15.0	-31.8	11.3	19.0
B	MEDITRUST # (06/14/89)	NY-MT 2	15721	15.81	2.19 JUN	2.05	20.38X	5.3	19.9	9.9	10.7	28.9	13.0	320.3
C	F-MELLON PART MTG (08/25/89)	OC-MPMTS 5	8645	9.11	0.80 D	JUN 0.75	6.75X	4.9	-10.0	9.0	11.9	-25.9	8.2	58.4
C	MERRY LAND & INV (09/09/88)	OC-MERY 3	9779	6.97	0.20 U	SEP 0.93 U	5.25	-2.3	-30.0	5.6	3.8	-24.7	13.3	51.3
B	MGI PROPERTIES # (07/08/88)	NY-MGI 1	9425	17.64	1.12 AUG	1.55	13.13X	-9.1	-25.5	8.5	8.5	-25.6	8.8	123.7
B	MONMOUTH REIT # (01/27/89)	OC-MNRTS 3	1810	4.45	0.70 JUN	0.60	6.50	0.0	8.3	9.4	10.8	46.1	15.5	11.8
C	MSA REALTY CORP # (08/25/89)	AS-MSS 3	8647	7.328	0.60 JUN	0.38	9.63	-8.3	22.2	25.3	6.2	31.5	5.2	83.2
B	MTG & RLTY TRUST (08/25/89)	NY-MRT 3	10872	16.95	2.00 S	SEP 1.85 D	16.88X	-2.8	-0.7	9.1	11.9	-0.4	10.9	183.5
B	MTG INVSTMT PLUS# (08/25/89)	AS-MIP 3	9020	8.42	0.80 JUN	0.58	7.25	-3.3	0.0	12.5	11.0	-13.9	6.9	65.4
C	NATIONWIDE HLTH # (06/14/89)	NY-NHP 2	8195	20.52	1.00 SEP	2.32 U	12.00	-9.4	2.1	5.2	8.3	-41.5	11.5	98.3
A	NEW PLAN RLTY TR# (10/27/89)	NY-NPR 1	34190	8.508	1.02 JUL	0.87	17.00	1.5	7.1	19.5	6.0	100.0	10.2	581.2
* A	F-NOONEY RLTY TR# (07/08/88)	OC-NRTI 1	867	16.59	0.32 JUN	0.31	9.50	5.6	8.6	30.6	3.4	-42.7	1.9	8.2
B	ONE LIBERTY PRS (06/23/89)	AS-OLP 2	2203	13.42	0.00 JUN	0.01	11.00	-8.3	-22.8	1100.0	0.0	-18.0	0.1	24.2
A	PENN REIT# (10/27/89)	AS-PRI 1	8199	10.458	1.68 AUG	1.66 D	24.63	-0.5	8.2	14.8	6.8	135.6	15.9	201.9
* A	PITTS & WVA RR (08/25/89)	AS-PN 2	1510	6.07	0.56 JUN	0.55	5.88	2.2	-6.0	10.7	9.5	-3.2	9.1	8.9
B	PRESIDENTIAL RL-A# (09/09/88)	AS-PDL.A 3	479	4.39	1.66 JUN	1.97	9.75	-18.8	-29.7	4.9	17.0	122.1	44.9	4.7
B	PRESIDENTIAL RL-B# (09/09/88)	AS-PDL.B 3	2815	4.39	1.66 JUN	1.97	9.38	-20.2	-33.0	4.8	17.7	113.6	44.9	26.4
B	PROPERTY CAPITAL (08/26/88)	AS-PCT 3	10869	13.90	1.48 JUL	1.83	14.13	-17.5	-30.7	7.7	10.5	1.6	13.2	153.5
A	PROPERTY TR AMER# (09/29/89)	NY-PT 1	5061	10.49	0.84 JUN	0.87	10.00	-1.2	2.6	11.5	8.4	-4.7	8.3	50.6
B	F-PRU RL CAPITAL # (07/08/88)	NY-PRT 1	11135	1.448	0.00 ---	0.00	1.00	-11.1	-20.0	0.0	0.0	-30.6	0.0	11.1
B	F-PRU RL INCOME # (07/08/88)	NY-PRTR 1	11135	8.00	0.69 JUN	0.68	6.13	-5.8	-2.0	9.0	11.3	-23.4	8.5	68.2
* B	RAC MTG INVESTMT (09/23/88)	NY-RMR 4	14450	8.38	0.12 SEP	0.03 D	2.38	-9.5	-70.8	79.2	5.1	-71.7	0.4	34.3
B	REALTY REFUND (09/23/88)	NY-RRF 4	1021	18.29	1.72 JUL	1.72	15.00	-2.4	5.3	8.7	11.5	-18.0	9.4	15.3
C	REALTY SOUTH (09/23/88)	AS-RSI 3	2098	11.21	0.68 S	SEP 0.17 D	6.13X	-6.7	-41.7	36.0	11.1	-45.4	1.5	12.9
B	REIT OF CALIF# (10/20/89)	NY-RCT 1	7346	12.42	1.38 JUN	1.69	15.75	-3.8	-0.8	9.3	8.8	26.8	13.6	115.7
* C	RESIDENTIAL MTG (09/23/88)	AS-RRI 4	4220	7.73	0.00 JUN	0.12	1.25	-9.1	-60.0	10.4	0.0	-83.8	1.6	5.3
* C	F-RESORT INCOME INV (08/25/89)	AS-RII 5	4156	11.69	1.60 S	JUN 1.62	10.88X	-2.0	-10.3					



RANK	NAME (REVIEW DATE)	EXCH/ SYMBOL GROUP	SHARES (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON 12 MO	LAST PRICE	% CHANGE FROM SEP 27 JAN 1	P/E RATIO	% ANN YIELD	% PR TO BK	RETURN ON BK	MKT VAL MIL \$		
B	P-SIERRA RE EQS44	OC-SEXC	1	4887	6.79\$	0.00	MAR 0.49	3.50	-12.5	-36.4	7.1	0.0	-48.5	7.2	17.1
*	SIZELER PROP INV# (02/24/89)	NY-SIZ	1	3714	18.85	1.56	JUN 1.48	14.50	-4.9	-1.7	9.8	10.8	-23.1	7.9	53.9
C	STORAGE EQUITIES (10/14/88)	NY-SEQ	1	10943	14.50	1.40	JUN 1.03	12.08	-5.5	14.4	12.5	10.9	-11.2	7.1	140.9
C	STRATEGIC MTC (05/13/88)	NY-STM	4	5465	18.47	1.28	SEP 1.35 D	12.38	-4.8	0.0	9.2	10.3	-33.0	7.3	67.6
*	TIS MTC INVSTMT (09/23/88)	NY-TIS	4	8100	9.01	1.20	JUN 0.96	8.00	-7.2	0.0	8.3	15.0	-11.2	10.7	64.8
C	F-TRAML CRON REL# (07/08/88)	NY-TCR	1	9075	10.67\$	0.70	JUN 1.23	5.00	-2.4	-31.0	4.1	14.0	-53.1	11.5	45.4
*	F-TRANSCONTL RLT# (09/09/88)	NY-TCI	3	12280	13.54	0.70	MAR -1.45	4.00	-23.8	0.0	17.5	-50.5	-10.7	49.1	
A	UNIV HEALTH RLT# (06/14/89)	NY-UHT	2	7047	14.03	1.48	SEP 1.59 S	14.25	-1.7	20.0	9.0	10.4	1.6	11.3	100.4
B	USP RL EST INV#	AS-URT	1	3880	7.89\$	1.00 S	JUN 0.19	6.50	-3.7	-17.5	34.2	15.4	-17.6	2.4	25.2
A	UTD DOMIN RLT# (10/27/89)	OC-UDRT	1	11240	13.71\$	1.24 U	JUN 1.25	18.25X	-1.0	0.7	14.6	6.8	33.1	9.1	205.1
*	F-VHS HOTEL INVSTMT	AS-VHT	5	9863	8.72	0.90 S	JUN 0.66	5.00X	-7.1	-23.1	7.6	18.0	-42.7	7.6	49.3
*	VHS S/T INCOME	AS-VST	4	6918	9.28	1.16 S	JUN 1.06	6.50X	-6.3	-16.1	6.1	17.8	-30.0	11.4	45.0
*	VHS STRATEGIC LAND	OC-VLANS	5	11994	8.88	1.20 S	JUN 1.09	6.75X	-2.8	-8.5	6.2	17.8	-24.0	12.3	81.0
A	WARR RE (WRT)F# (04/21/89)	AS-WRE	1	15434	7.31\$	1.00	JUN 1.15	19.25	-4.3	-8.3	16.7	5.2	163.3	15.7	297.1
D	WEDGESTONE FINCL (08/11/89)	NY-WDG	4	5795	5.85	0.00	JUN -2.71	1.38	0.0	-50.0	0.0	0.0	-76.5	-46.3	8.0
A	WEINGARTEN RLT# (10/20/89)	NY-WRI	1	13984	13.80\$	1.76 S	SEP 2.44 D	30.00X	1.0	17.1	12.3	5.9	117.4	17.7	419.5
A	WESTERN INV RES# (10/20/89)	AS-WIR	1	15969	14.64\$	1.36	JUN 1.46	18.38	-5.8	3.5	12.6	7.4	25.5	10.0	293.4

## COMPANIES AND BUSINESS TRUSTS

	ABRAMS INDS INC	OC-ABRI	10	2978	5.83	0.20	JUL	0.43	4.50	0.0	8.8	10.5	4.4	-22.8	7.4	13.4
*	LP-AMER INS MTC 84	OC-AIMAZ	9	10000	19.38	1.50	DEC	2.18	15.25	3.4	-0.8	7.0	9.8	-21.3	11.2	152.5
C	LP-AMER RE PARTNERS (07/14/89)	NY-ACP	8	14543	17.29	2.00	JUN	1.82	12.63	2.0	-16.5	6.9	15.8	-27.0	10.5	183.6
L	AMERICANA HOTEL (04/08/88)	NY-AHR	L	4920	9.50	8.00	JUN	0.95	6.75	-1.8	31.7	7.1	118.5	-28.9	10.0	33.2
C	AMREP CORP (09/15/89)	NY-ARR	7	6618	10.20	0.00	JUL	0.22	7.75	12.7	0.0	35.2	0.0	-24.0	2.2	51.3
*	ANGELES CORP	AS-ANG	11	3282	5.68	0.00	JUN	-0.07	8.00	-8.6	39.1	0.0	0.0	40.8	-1.2	26.3
D	BAY FINCL CORP	NY-BAY	8	3851	-6.69\$	0.00	JUN	-15.97 D	3.38	-56.5	-71.0	0.0	0.0	0.0	0.0	13.0
C	LP-BURGER KING INV # (07/14/89)	NY-BKP	8	4635	17.59	1.80	JUN	1.79	14.50	3.6	9.4	8.1	12.4	-17.6	10.2	67.2
C	LP-CAL FED INC PTNWS (07/28/89)	NY-CFI	8	13095	7.28	1.00 S	JUN	0.81	7.50X	1.6	13.2	9.3	13.3	3.0	11.1	98.2
C	CALPROP CORP	AS-CPP	7	4197	9.44	0.00	SEP	1.29 U	7.75	-12.7	1.6	6.0	0.0	-17.9	13.7	32.5
C	CALTON INC (06/10/88)	NY-CN	7	23797	2.86	0.00	AUG	0.24 D	1.38	-15.4	-54.2	5.7	0.0	-51.9	8.4	32.7
*	CENTENNIAL GROUP	AS-CBQ	10	26200	5.64	0.00	JUN	0.08	1.63	-13.3	-51.9	20.3	0.0	-71.2	1.4	42.6
A	CENTER CORP (05/17/89)	NY-CTX	6	14936	26.78	0.40	SEP	3.52 U	33.38	-6.6	14.1	9.5	1.2	24.6	13.1	498.5
*	CHAMPION ENTERPRISES	AS-CHB	12	7159	4.98	0.00	AUG	-1.39 D	3.50	-12.5	-6.7	0.0	0.0	-29.7	-27.9	25.1
C	CHRISTIANA COS	NY-CST	7	5192	5.29	0.00	JUN	0.27	8.50	-15.0	36.0	31.5	0.0	60.7	5.1	44.1
B	CLAYTON HOMES	NY-CMH	12	15767	5.04	0.00	SEP	1.04 U	8.75	-11.4	2.9	8.4	0.0	73.6	20.6	138.0
*	LP-CROWLTH MTC AM-A	NY-CHA	9	35000	0.12	0.00	JUN	-0.80 U	0.28	-43.8	-86.0	0.0	0.0	134.2	-666.7	9.8
*	CONGRESS ST PROPS	OC-CSTP	10	1075	12.39	0.00	MAY	-0.51	4.00	0.0	-37.3	0.0	0.0	-87.7	-4.1	4.3
C	CONTL HNS HOLDING	OC-COHW	7	3515	7.29	0.00	AUG	0.63	7.25	0.0	93.3	11.5	0.0	-0.5	8.6	25.5
L	F-CONTL MTC/EQUITY (03/24/89)	OC-CHELS	L	11486	8.89	0.10 U	JUN	-1.16	3.00X	3.3	-29.4	0.0	3.3	-66.3	-13.0	34.5
B	COUNTERTIDE CREDIT (02/24/89)	NY-CGR	9	17709	6.44	0.27	AUG	0.74	8.25	-2.4	32.0	11.1	3.3	28.1	11.5	146.1
D	COVINGTON DEVLPMT	OC-COVT	7	13903	0.78	0.00	JUN	0.46	1.19	-13.6	137.6	2.6	0.0	52.3	59.0	16.3
*	LP-CRI INS MTC INV	NY-CRM	9	9100	11.84	1.26 U	JUN	2.84	10.88X	3.3	-15.5	3.8	11.6	-8.2	24.0	99.0
D	DELTONA CORP	NY-DLT	7	5579	4.81	0.00	JUN	0.08	4.63	-11.9	-7.5	57.8	0.0	-3.8	1.7	25.8
*	LP-EMERALD HOMES LP	NY-EHP	7	5225	5.87	0.80	JUN	0.83	5.50	-13.7	-35.3	6.6	14.5	-6.3	14.1	28.7
A	LP-EQX GRN ACRES LP# (07/28/89)	NY-EGA	8	10173	8.03\$	1.28 U	JUN	1.28	12.00	-4.0	-5.0	9.4	10.7	49.4	15.9	122.1
C	LP-EQUITABLE RE SC # (07/28/89)	NY-EQM	8	10700	8.08\$	1.04	JUN	0.62	8.00	-7.2	-9.9	12.9	13.0	-1.0	7.7	85.6
D	EQUITEC FINCL GP	NY-EFG	11	4952	1.40	0.00	JUN	-1.52	2.88	-4.2	9.5	0.0	0.0	105.4	-108.6	14.2
C	FAIRFIELD COMM (09/15/89)	NY-FCI	7	10921	9.64	0.00	SEP	0.20 U	6.00	0.0	-2.0	30.0	0.0	-37.8	2.1	85.5
A	FED NATL MTC (08/11/89)	NY-FNM	9	238431	10.19	0.56	SEP	2.90 U	37.25X	-9.3	120.2	12.8	1.5	265.6	28.5	8881.6
*	FIRST CAROLINA	OC-FCAR	10	697	31.78	0.50	JUN	0.82	32.50	1.6	10.2	39.6	1.5	2.3	2.6	22.7
B	FLEETWOOD ENTER (09/25/89)	NY-FLE	12	22908	17.49	0.76	JUL	2.91	25.00X	-3.6	-0.5	8.6	3.0	42.9	16.6	572.7
B	FOREST CITY-AS (09/15/89)	AS-FCE.A	8	4059	29.01\$	0.42	APR	3.17	45.00	-12.6	12.1	14.2	0.9	55.1	10.9	182.7
B	FOREST CITY-B# (09/15/89)	AS-FCE.B	8	3890	29.01\$	0.36	APR	3.17	51.50	-5.3	24.5	16.2	0.7	77.5	10.9	200.3
C	LP-FOREST RET PFD UN# (06/14/89)	AS-FRL	8	6381	9.17\$	1.35	JUN	0.56	3.38	-10.0	-44.9	6.0	40.0	-63.2	6.1	21.5
*	FPA CORP	AS-FPO	7	4011	6.98	0.00	JUN	-2.15 U	2.63	0.0	-32.3	0.0	0.0	-62.4	-30.8	10.5
C	GENERAL DEVLPMT (09/15/89)	NY-GDV	6	8496	18.43	0.00	SEP	0.42 U	12.00	-13.5	-5.0	28.6	0.0	-34.9	2.3	102.0
D	GENERAL HOMES	NY-GHO	6	15009	-9.35	0.00	JUN	-10.82	0.50	-38.5	0.0	0.0	0.0	0.0	0.0	7.5
B	LP-GOULD INVSTRE LP# (09/29/89)	AS-GLP	8	1075	19.08	0.00	JUN	3.58	57.13	-1.5	16.6	16.0	0.0	199.4	18.8	61.4
C	GRUBB & ELLIS CO (06/10/88)	NY-GBE	11	16187	5.07	0.00	SEP	0.06 D	4.25	-15.0	6.3	70.8	0.0	-16.2	1.2	68.8
*	HAMMOND CO	OC-THCO	9	1635	5.00	0.10	SEP	-0.37 U	7.00	64.7	133.3	0.0	1.4	40.0	-7.4	11.4
B	HOMANIAN ENTR (05/17/89)	AS-HOV	7	20848	6.07	0.00	AUG	1.27 U	9.63	-3.8	45.3	7.6	0.0	58.6	20.9	200.7
*	INDIANA FINCL INV	OC-IRII	8	963	12.94	0.00	JUN	1.02 U	7.50	-11.8	27.7	7.4	0.0	-42.0	7.9	7.2
D	INTEGRATED RESC (08/11/89)	NY-IRE	11	7420	18.81	0.00	MAR	1.73	1.13	-52.6	-91.9	0.7	0.0	-94.0	9.2	8.3
B	LP-INTERSTATE GEN CO (09/29/89)	AS-IGC	8	9900	3.72	0.72	JUN	1.24	7.25	0.0	11.5	5.8	9.9	94.9	33.3	71.8
*	INTL AMER HOMES	OC-HOME	7	7255	4.60	0.00	JUN	0.50	2.25	0.0	50.0	4.5	0.0	-51.1	10.9	16.3
B	J M PETERS CO INC (05/17/89)	AS-JMP	7	13980	8.82	0.00	AUG	2.36	11.50	-8.0	33.3	4.9	0.0	30.4	26.8	160.8
L	JMB REALTY	OC-JMBRS	L	1423	10.97	0.35	MAY	2.72	8.25	-10.8	-25.3	3.0	4.4	-24.8	24.8	11.7
A	KAUFMAN & BROAD RM (05/17/89)	NY-KBH	6	27298	8.75	0.30 S	AUG	2.19	15.63	-18.3	83.8	7.1	1.9	78.6	25.0	426.5
A	KOGER PROPS# (03/10/89)	NY-KOG	8	25590	9.59	2.80	JUN	2.83	24.13	-3.5	-3.0	8.5	11.6	151.6	29.5	617.4
D	LP-LA QUINTEA MTR INV (07/14/89)	NY-LQP	8	3975	16.12\$	2.00	JUN	1.20	8.00	-5.9	-29.7	6.7	25.0	-50.4	7.4	31.8
C	LANDMARK LAND (09/15/89)	AS-LML	10	7995	7.07	0.40	JUN	1.97	19.25X	1.8	-4.3	9.8	2.1	172.3	27.9	153.9
C	LEISURE+TECH (05/26/89)	NY-LVX	7	5408	5.06	0.00	JUN	-0.29	4.00	-8.6	3.2	0.0	0.0	-20.9	-5.7	21.6
A	LENNAR CORP (05/17/89)	NY-LEN	6	6667	24.40	0.24 S	AUG	2.80	21.00	-0.6	19.1	7.5	1.1	-13.9	11.5	140.0
*	LOAN AMER FINCL-B	OC-LAPCB	9	1987	8.11	0.00	JUN	0.64	5.00	-16.7	5.3	7.8	0.0	-38.3	7.9	9.9
E	VJ-LOHAS FINANCIAL (09/29/89)	NY-LFC	9	29970	7.47	0.00	JUN	-7.81	1.25	-41.2	-90.1	0.0	0.0	-83.3	-104.6	37.5
C	M/I SCHOENSTIN HNS	OC-MIHO	7	5920	3.56	0.00	JUN	0.83	6.50	26.8	23.8	7.8	0.0	82.6	23.3	38.3
Z	MAJOR REALTY (11/18/88)	OC-MAJR	7	7343	2.63\$	0.00	JUN	-0.08	13.00	-1.9	26.8	0.0	0.0	394.3	-3.0	95.5
*	MAY DEPT STORES (02/26/88)	NY-MA	10	149110	20.45	1.42 S	JUL	3.81	44.50	-3.8	22.8	11.7	3.2	117.6	18.6	6635.4
C	MCA INC (02/26/88)	NY-MCA	10	73190	23.85	0.68	SEP	2.68 D	61.50	-8.2	35.5	22.9	1.1	157.9	11.2	4501.2
C	MDC HOLDINGS (11/18/88)	NY-MDC	6	15890	9.52	0.00	JUN	-0.97	1.63	-23.5	-40.9	0.0	0.0	-82.9	-10.2	25.8
*	MISSION WEST PR	AS-MHW	7	1499	13.22	0.36	AUG	0.48 D	7.75	-7.5	-19.5	16.1	4.6	-41.4	3.6	11.6
L	MONY RL EST INV (05/13/88)	NY-MYH	L	10639	9.25	0.72	AUG	0.82 U	8.25	0.0	0.0	10.1	8.7	-10.8	8.9	87.8
*	NATIONAL ENTERPRISES	NY-NEI	12	7138	1.37	0.00	JUN	-0.83	0.63	-9.2	-44.4	0.0	0.0	-54.4	-60.6	4.5
C	LP-NATIONAL REALTY (08/25/89)	AS-NRPS	8	8906	-2.20\$	0.80 S	JUN	-2.33	5.13X	-9.4	-51.8	0.0	15.6	0.0	0.0	45.6
L	P-NATL INCOME RLTY (03/24/89)	NY-NIRTS	L	11362	9.80	0.12 U	JUN	-3.51	3.00X	-7.6	-33.3	0.0	4.0	-69.4	-35.8	34.1
A	LP-NATHAN LAND (09/29/89)	NY-NHL	10	20001	7.43\$	1.70 U	JUN	2.17	65.50	0.4	15.7	30.2	2.6	781.6	29.2	1310.0



RANK	NAME (REVIEW DATE)	EXCH/ SYMBOL GROUP	SHARES (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON 12 MO	LAST PRICE	% CHANGE FROM SEP 27 JAN 1	P/E RATIO	% ANN YIELD	% FR TO BK	RETURN ON BK	MKT VAL MIL \$	
B	LP-NVR L.P. (05/17/89)	AS-NVR 6	25391	4.43	0.80 S JUN	1.35	6.63X	-4.2	12.8	4.9	12.1	49.5	30.5	168.2
B	OAKWOOD HOMES	NY-OH 12	5201	9.89	0.08 S JUN	0.54	6.63	-11.7	-3.6	12.3	1.2	-33.0	5.5	34.5
B	ORACLE HOMES-A (05/26/89)	AS-ORC.A 7	1933	13.87	0.55 SEP	1.96 D	9.50	-17.4	-6.2	4.8	5.8	-31.5	14.1	18.4
B	ORACLE HOMES-B (05/26/89)	AS-ORC.B 7	1899	13.87	0.60 SEP	1.96 D	9.75	-13.3	-1.3	5.0	6.2	-29.7	14.1	18.5
*	PACSETTER HOMES	OC-PAGE 7	1542	7.46	0.00 JUN	-0.12	8.00	14.3	77.8	0.0	0.0	7.2	-1.6	12.3
*	PAKWAY COMPANY	OC-PKWY 10	1460	26.22	0.80 JUN	0.07	14.25	-10.9	-10.9	203.6	5.6	-45.7	0.3	20.8
*	PATTON CORP	NY-PAT 7	17031	5.01	0.12 JUN	0.36	2.63	-16.0	-30.0	7.3	4.6	-47.6	7.2	44.7
B	PERINI INV PRS (09/15/89)	AS-PHV 8	3878	0.02\$	0.60 JUN	1.81	16.50	-6.4	0.8	9.1	3.6	NC	NC	64.0
C	PIH CORP (05/26/89)	NY-PIH 6	25080	11.34	0.12 JUN	2.11	15.50	-12.7	39.3	7.3	0.8	36.7	18.6	388.7
C	LP-PRIME MTR INV LPs (07/14/89)	NY-PHP 8	4000	19.30\$	2.04 JUN	2.43	14.63	-7.1	-8.6	6.0	13.9	-24.2	12.6	58.5
D	PUNTA GORDA	AS-PGA 7	2905	-2.84	0.00 JUN	-1.45	0.63	-44.4	-76.2	0.0	0.0	0.0	0.0	1.8
*	READING CO (11/23/88)	OC-RDGC 8	4971	11.94	0.00 JUN	6.36	12.13	-4.0	3.2	1.9	0.0	1.5	53.3	60.3
C	LP-RED LIONS INNS (07/14/89)	AS-RED 8	4312	17.53\$	2.10 S SEP	1.97 U	17.38X	-5.2	17.8	8.8	12.1	-0.9	11.2	74.9
*	LP-RETIREDMT LIV MTG	OC-KLVZ 9	1264	22.72	0.00 JUN	1.90	11.00	0.0	-33.3	5.8	0.0	-51.6	8.4	13.9
*	ROCKWOOD NATL	PS-RNC 7	9825	2.32	0.00 JUN	-0.39	0.50	0.0	-69.2	0.0	0.0	-78.4	-16.8	4.9
A	ROUTE COs (09/15/89)	OC-ROUTE 8	47894	6.03\$	0.56 JUN	0.80	24.75	-11.6	1.0	30.9	2.3	310.4	13.3	1185.4
A	RYLAND GROUP (05/17/89)	NY-RYL 6	12919	14.05	0.60 SEP	2.74 D	20.75X	-12.0	0.6	7.6	2.9	47.7	19.5	268.1
*	SANTA FE PACIFIC	NY-SFX 10	157647	4.30	0.10 U JUN	-1.92	18.88	-16.6	9.4	0.0	0.5	339.0	-44.7	2975.6
C	LP-SHOPCO LABEL CTNS (07/14/89)	AS-LSC 8	4660	7.77\$	1.10 JUN	1.15	9.25	-1.3	-3.9	8.0	11.9	19.0	14.8	43.1
B	SKYLINE CORP	NY-SKY 12	11217	13.74	0.48 AUG	1.36	14.00	-12.5	-9.7	10.3	3.4	1.9	9.9	157.0
E	VJ-SOUTHWARK CORP (07/14/89)	NY-VJ 10	45117	-18.87	0.00 MAR	-28.99	0.19	-7.4	-88.4	0.0	0.0	0.0	0.0	8.5
D	LP-SOUTHWEST RLTY (09/29/89)	AS-SWL 8	3442	5.74\$	0.00 JUN	-0.19	1.63	0.0	99.9	0.0	0.0	-71.7	-3.3	5.6
*	STARKEIT HOUSING	AS-SHO 7	6440	5.02	0.00 JUN	0.76	6.00	-5.9	0.0	7.9	0.0	19.5	15.1	38.6
A	LP-STD PACIFIC L.P. (05/17/89)	NY-SFP 6	27056	8.39	1.80 S SEP	3.75 U	15.00	-20.5	25.0	4.0	12.0	78.8	44.7	405.8
*	TIERCO GP INC	OC-TIENC 8	2126	-5.11	0.00 JUN	-11.94	1.00	33.3	-78.9	0.0	0.0	0.0	0.0	2.1
C	TOLL BROS (05/26/89)	NY-TOL 6	29920	2.54	0.00 JUL	0.51	4.00	-11.1	-15.8	7.8	0.0	57.5	20.1	119.7
B	LP-UBO-UNIVERSL DEV (05/17/89)	NY-UDC 7	7371	3.56	2.40 JUN	4.17	22.50	-2.7	20.0	5.4	10.7	532.0	117.1	185.8
*	UNICORP AMER	AS-UAC 10	17300	8.14	0.00 JUN	0.02	3.00	-14.3	-47.8	150.0	0.0	-63.1	0.2	51.9
C	UNION VALLEY CORP	AS-UVC 7	4759	4.84	0.00 SEP	-0.19 U	4.38	-2.8	-42.6	0.0	0.0	-9.6	-3.9	20.8
C	US HOME CORP (09/29/89)	NY-UH 6	44031	4.18	0.00 SEP	0.06 D	1.13	-10.0	-47.1	18.8	0.0	-73.1	1.4	49.5
*	LP-US REALTY FTRMS	OC-USRLZ 8	1222	14.99	2.04 MAR	2.05	6.00	-4.0	-40.0	2.9	34.0	-60.0	13.7	7.3
L	VINLAND PROPERTY	OC-VILTS L	5966	2.37	0.00 AUG	-1.28 U	0.47	49.8	-58.3	0.0	0.0	-80.2	-34.0	2.8
*	LP-VHS MORTGAGE INV	OC-VHLPZ 9	7629	9.25	1.08 JUN	1.29	6.00	-7.7	-18.6	4.7	18.0	-35.1	13.9	45.8
*	WASHINGTON CORP	PS-WGCX 7	1883	5.46	0.25 JUN	0.74	5.88	-9.6	-11.3	7.9	4.3	7.6	13.6	11.1
C	WEBB (DEL) CORP (09/15/89)	NY-WBB 10	9367	6.58	0.00 SEP	-1.70 D	9.38	-10.7	-39.0	0.0	0.0	42.5	-25.8	87.8
*	LP-WINTHROP INS MTG	AS-WNI 9	3868	12.49	1.32 JUN	1.24	12.50	0.0	4.2	10.1	10.6	0.1	9.9	48.4
D	WRITER CORP	OC-WRTC 7	4400	0.28	0.00 JUN	-3.92	0.95	26.4	51.7	0.0	0.0	238.6	NC	4.2

## GROUP ACTION SUMMARY 10/27/89

GROUP NUMBER & NAME	DIV	NOM-DIV	TOTAL	SHARE (000)	BOOK VALUE	ANNUAL DIV	EARN ANN	LAST PRICE	% CHANGE FROM SEP 27	JAN 1	P/E RATIO	ANNUAL YIELD	% FR TO BK	RETURN ON BK	MARKET VAL (000)
1 PROPERTY REITS	39	6	45	8721	11.75	0.96	1.00	13.74	-3.0	-2.2	13.8	7.0	17.0	8.5	6038.7
2 LEASEBACK REITS	12	1	13	6834	14.33	1.49	1.64	13.02	-3.4	0.7	7.9	11.4	-9.2	11.4	1404.7
3 PROP & MTG COMB REITS	16	0	16	5742	11.20	1.05	1.08	9.25	-6.8	-19.6	8.5	11.4	-17.4	9.7	862.5
4 MORTGAGE REITS	19	4	23	7327	12.75	1.14	0.79	8.64	-3.8	-14.6	11.0	13.1	-32.2	6.2	1319.8
5 PARTICIPATING MTG REITS	8	0	8	13225	11.28	1.19	0.99	9.31	-0.8	-7.6	9.4	12.8	-17.5	8.8	1168.5
REIT AVERAGE			105	8071	12.17	1.09	1.04	11.51	-3.5	-6.2	11.0	9.5	-5.4	9.0	10794.2
6 MAJOR HOMEBUILDERS	7	5	12	21058	10.29	0.36	0.64	12.26	-11.2	15.2	19.2	2.9	19.2	6.2	2600.4
7 OTHER BLDRS/DEVELOPERS	7	21	28	7329	5.93	0.18	0.39	6.35	-5.3	4.5	16.1	2.9	7.2	6.6	1219.4
8 INCOME PROP BLDR/OWNR	18	6	24	8260	10.68	1.00	0.38	15.43	-6.4	0.1	40.1	6.5	44.5	3.6	3310.6
9 MORTGAGE BANKER/FINANCE	7	4	11	32418	10.27	0.55	0.43	10.42	-2.6	4.5	24.1	5.3	1.5	4.2	9455.8
10 DIVERSIFIED RLTY/HOLDING	8	5	13	39395	10.83	0.45	-1.62	21.47	-4.6	8.3	0.0	2.1	98.2	-15.0	15828.1
11 RLTY SVCS/SYNDICATORS	0	4	4	7960	7.74	0.00	0.05	4.06	-15.0	-38.1	81.2	0.0	-47.5	0.6	117.6
12 MANUFACTURED HOUSING	3	3	6	11565	8.75	0.22	0.61	9.75	-8.6	-3.9	16.1	2.3	11.4	6.9	931.7
OTHER REALTY STOCKS AVERAGE			98	16593	9.01	0.23	0.16	11.87	-6.3	3.8	75.5	4.0	31.8	5.3	33463.6
L LIQUIDATING COMPANIES	5	1	6	7633	8.46	1.55	-0.24	4.95	-3.6	-13.4	NC	NC	-41.5	NC	204.1
OVERALL AVERAGE			209	12185	10.64	0.80	0.62	11.69	-4.9	-1.5	19.0	6.8	9.8	7.5	44461.9
DOW JONES INDUSTRIALS							231.00	2596.72	-2.9	19.7	11.2	4.0			
STANDARD & POOR'S 500							25.22	335.06	-2.9	20.6	13.3	2.9			
DOW JONES UTILITIES							13.18	215.86	0.3	15.9	16.4	6.9			

## SYMBOLS &amp; ABBREVIATIONS

RANKINGS: A - Strongest in EPS/CFS/dividend growth, financial/liquidity position, and competitive posture in business segment. Buy; B - Above average in EPS/CFS/dividend growth, financial/liquidity position, and competitive posture in business segment. Above average market performer/buy; C - Average but some volatility apparent in EPS/CFS/dividend growth, financial/liquidity position, and open to competitive pressures. Speculative buy; D - Below average with high volatility in EPS/CFS/dividends, financial/liquidity pressures with some illiquidity, and less competitive business position. More speculative buy; E - Sustained losses and cash flow, illiquidity, and possible bankruptcy filing. Most speculative buy. \* = Not Ranked. Z = Audit or affiliates involved in pending transaction. New EPS or Dividend: U=Up. D=Down. S=Unchanged. I=Initial. X=Ex Dividend. # = Net Cash Flow (EPS plus noncash charges less mortgage payments). @=Gross Cash Flow. Book value for cash flow entities includes accum. depreciation. Last bid prices used for OTC. P=Paired stock. \$=Current appraised value reported see p. 3. F=Finite life REIT. LP=Limited partnership. L=Liquidating. VJ=In bankruptcy reorganization. GROUP CHANGE: Property Capital Trust from Liquidating to Prop. & Mtg. Combination Trusts. ADJUSTED: Countrywide Credit Inds. 2% stock dividend payable 11/1/89 on 10/17/89 record; Federal National Mortgage Assn. 3-for-1 paid 10/16/89 on 10/2/89 record.